Chapter 6 Other CEQA Considerations

Section 15128 of the California Environmental Quality Act (CEQA) Guidelines requires that an Environmental Impact Report (EIR) contain a brief statement disclosing the reasons why various possible significant effects of a project were found not to be significant and, therefore, would not be discussed in detail in the EIR. The City of San Juan Capistrano reviewed the proposed French Hotel Project (Project) against the environmental issue areas in Appendix G of the CEQA Guidelines. All environmental issue areas, including those found to have potentially significant impacts, are addressed in Chapter 4, Environmental Analysis, of this EIR except the following: Agriculture and Forestry Resources, Hydrology and Water Quality, Land Use and Planning, Mineral Resources, Population and Housing, Public Services, Recreation, Utilities and Service Systems, and Wildfire. These environmental issue areas were determined to result in less than significant or no impact from implementation of the Project and, therefore, are addressed separately in Chapter 5, Effects Found Not to Be Significant.

In addition, Section 15126 of the CEQA Guidelines requires that all aspects of a project be considered when evaluating its impact on the environment, including planning, acquisition, development, and operation. As part of this analysis, the EIR must identify the following four components, which are also addressed in this chapter:

- Impacts found not to be significant through the Initial Study process (addressed in Chapter 5.0, Effects Found Not to Be Significant).
- Significant environmental impacts that could not be avoided if the project is implemented (addressed in Section 6.2, Significant and Unavoidable Environmental Impacts and 6.3, Reasons the Project is Being Proposed Notwithstanding its Significant Unavoidable Impacts)
- Significant, irreversible environmental impacts that would be involved in the project should it be implemented (addressed in Section 6.4, Significant and Irreversible Environmental Impacts)
- Growth-inducing impacts of the project (addressed in Section 6.5, Growth-Inducing Impacts)

6.1 Significant and Unavoidable Environmental Impacts

Section 15126.2(b) of the CEQA Guidelines requires that an EIR describe any significant impacts that could not be avoided, even with the implementation of feasible mitigation measures. The environmental effects of the Project on various aspects of the environment are discussed in detail in Chapter 4 of this EIR. The EIR determined that significant and unavoidable impacts from development of the Project would result with the following environmental resource area:

- Transportation

The EIR determined that the Proposed Project would result in a significant and unavoidable transportation impact related to vehicle miles traveled (VMT) under Threshold TRA-b. Implementation of MM TR-1 would require the Project Applicant to develop and implement a Transportation Demand Management (TDM) Plan that includes strategies to reduce single-occupancy vehicle trips by Project employees and encourage alternative modes of transportation, including commute trip reduction marketing and end-of-trip bicycle facilities, as well as ongoing monitoring of TDM Plan implementation. Although these strategies have the potential to reduce Project-related VMT, the extent of the reduction depends on factors such as employee participation, individual travel choices, and actual use of alternative transportation modes and bicycle facilities. Because the approximately 0.08 percent reduction in Citywide Total VMT needed to reduce the Project's impact to a less-than-significant level cannot be assured, the impact would remain significant and unavoidable after implementation of MM TR-1.

Under CEQA Guidelines, Section 15065(c)(4), when an EIR demonstrates that a project will cause significant and unavoidable impacts that cannot be fully mitigated, the agency must issue a Statement of Overriding Considerations before approving the project. Under CEQA Guidelines, Section 15093, a Statement of Overriding Considerations is a report of the lead agency's findings regarding the merits of approving a project despite its significant environmental impacts and reflects the balancing of competing public objectives. Therefore, the City of San Juan Capistrano (City) would be required to adopt a Statement of Overriding Considerations to address the significant impacts identified above and discussed in detail in Chapter 4.

6.2 Reasons the Project is Being Proposed Notwithstanding its Significant Unavoidable Impacts

In addition to identification of the Project's significant unavoidable impacts, Section 15126.2(c) of the CEQA Guidelines requires a description of the reasons why a project is being proposed, notwithstanding significant unavoidable impacts associated with the Project. The reasons why the Proposed Project is being proposed are grounded in its underlying purpose and objectives. As discussed in Chapter 2, Project Description, the Project is intended to facilitate the rehabilitation and adaptive reuse of historic resources on the Project Site while developing a hotel and complementary visitor-serving uses within the Historic Town Center area of the City of San Juan Capistrano. The Project would establish a cohesive hospitality destination that integrates new development with the preservation and continued use of the historic Casa Manuel Garcia Adobe and Domingo Yorba Adobe and takes advantage of the Project Site's location near the City's historic core, existing commercial and civic uses, and regional transit service.

As discussed in Section 4.10, Transportation, the Proposed Project would result in a significant impact related to vehicle miles traveled (VMT) under Threshold TRA-b. Implementation of MM TR-1 would require preparation and implementation of a Transportation Demand Management

(TDM) Plan incorporating strategies intended to reduce single-occupancy vehicle trips by Project employees and encourage alternative modes of transportation, including commute trip reduction marketing and end-of-trip bicycle facilities, together with ongoing monitoring of TDM Plan implementation. Although these strategies have the potential to reduce Project-related VMT, the extent of the reduction ultimately achieved depends on factors such as employee participation, individual travel choices, and actual use of alternative transportation modes and bicycle facilities. Because the approximately 0.08 percent reduction in Citywide Total VMT necessary to reduce the Project's near-term impact to a less-than-significant level cannot be assured, the impact would remain significant and unavoidable after implementation of feasible mitigation.

Notwithstanding this significant and unavoidable VMT impact, the Project is being proposed because it would advance the City's identified objectives for the Project. Specifically, the Project would preserve and adaptively reuse two historic adobe structures; redevelop a currently underutilized and partially disturbed site with a cohesive and economically viable development; improve site conditions and visual quality; provide development designed to be compatible with surrounding commercial, residential, and transportation uses; implement applicable City policies related to historic preservation, economic development, and land use; provide visitor-serving and supporting uses intended to enhance the functionality, economic viability, and overall guest experience of the hospitality development; and increase the City's tax base through increased sales and property tax revenues.

The Project would achieve the following benefits:

- Preserve, rehabilitate, and adaptively reuse the Domingo Yorba Adobe and Manuel Garcia Adobe in a manner consistent with the Secretary of the Interior's Standards for the Treatment of Historic Properties while enhancing the historic downtown core of San Juan Capistrano through development that is compatible with the scale, architectural character, and cultural significance of the Historic Town Center area.
- Redevelop a currently underutilized and partially disturbed site with a cohesive, economically viable project that improves site conditions and visual quality.
- Ensure that the Project is compatible with surrounding commercial, residential, and transportation uses.
- Implement a project that is consistent with applicable City policies, including those related to historic preservation, economic development, and land use.
- Promote business activity by providing visitor-serving and supporting uses that enhance the functionality, economic viability, and overall guest experience of the proposed hospitality development while remaining compatible with the Historic Town Center area.
- Increase the City's tax base generating revenue for the City through increased sales and property taxes.

Accordingly, although the Project would result in a significant and unavoidable VMT impact after implementation of feasible mitigation, the Project is being proposed because it would achieve substantial benefits related to historic preservation and adaptive reuse, redevelopment of an underutilized and partially disturbed site, enhancement of the Historic Town Center area, provision of visitor-serving uses, promotion of business activity, improvement of site conditions and visual quality, and increased tax revenues for the City. These considerations provide the reasons for proceeding with the Project notwithstanding its significant and unavoidable environmental impact.

6.3 Significant and Irreversible Environmental Impacts

The State CEQA Guidelines require EIRs to address any significant irreversible environmental changes that would be involved with the proposed action should it be implemented (CEQA Guidelines, Section 15126.2[d]). An environmental change would fall into this category if: a) the project would involve a large commitment of non-renewable resources; b) the primary and secondary impacts of the project would generally commit future generations to similar uses; c) the project involves uses in which irreversible damage could result from any potential environmental accidents; or d) the proposed consumption of resources is not justified (e.g., the project results in the wasteful use of energy).

Would the Project involve a large commitment of non-renewable resources?

Determining whether the Project may result in significant irreversible environmental changes requires a determination of whether key non-renewable resources would be degraded or destroyed in such a way that there would be little possibility of restoring them. Natural resources, in the form of construction materials and energy resources, including petroleum fuels and natural gas (for vehicle emissions, construction, and lighting) as well as lumber, sand/gravel, steel, copper, lead, and other metals (for use in building construction, piping, and roadway infrastructure), would be used in the construction of the Project. The consumption of these natural resources would represent an irreversible change to the environment. However, the development of the Project Site as proposed would have no measurable adverse effect on the availability of such resources given the small scale of the Project, including resources that may be non-renewable (e.g., fossil fuels). In addition, none of the materials required to construct the Project would be rare or in highly limited supply. Further, such resources would not be used in a wasteful manner. The Project would also comply with the California Integrated Waste Management Act of 1989 (AB 939), which was enacted to reduce, recycle, and reuse solid waste generated in the State of California to the maximum amount feasible. Additionally, the Project is required by law to comply with the California Building Standards Code (CALGreen), which would minimize the Project's demand for energy, including energy produced from non-renewable sources. A more detailed discussion of energy consumption is provided in EIR Section 4.5, Energy.

Would the primary and secondary impacts of the Project commit future generations to similar uses?

Implementation of the Project would commit the Project Site to hotel and associated visitor-serving uses for the operational life of the Project. The Project would redevelop an approximately 1.68-acre site within the City's historic downtown core with a 70-room boutique hotel and associated uses and would preserve, rehabilitate, and adaptively reuse the Domingo Yorba Adobe and Casa Manuel Garcia Adobe as components of the hospitality development. The Project Site is designated General Commercial by the City's General Plan and zoned Town Center, a designation intended to promote a vibrant, walkable, mixed-use downtown while preserving the City's historic character and supporting commercial, cultural, and visitor-serving uses. Accordingly, the long-term commitment of the Project Site to hotel and associated visitor-serving uses would occur within an established urban setting and would be generally consistent with the planned character and function of the surrounding Historic Town Center area.

As demonstrated in the analysis presented throughout EIR Sections 4.1 through 4.11, Environmental Analysis, most environmental impacts associated with construction and long-term operation of the Project would be less than significant or reduced to less-than-significant levels through implementation of mitigation measures. However, as discussed in Section 4.10, Transportation, the Project would result in a significant and unavoidable impact related to vehicle miles traveled (VMT) under Threshold TRA-b. Implementation of MM TR-1 would require preparation and implementation of a Transportation Demand Management Plan intended to reduce single-occupancy vehicle trips and encourage alternative modes of transportation. Although MM TR-1 would reduce Project-related VMT to the extent achieved, the reduction necessary to reduce the impact below the City's adopted significance threshold cannot be assured because the effectiveness of the identified strategies depends in part on employee participation and travel behavior. Accordingly, the VMT impact would remain significant and unavoidable after mitigation.

Notwithstanding this significant and unavoidable VMT impact, the Project would not commit surrounding properties or future generations to hotel or similar development. Rather, the Project represents site-specific redevelopment of an underutilized and partially disturbed property within an established urban area and would not preclude future changes in surrounding land uses consistent with applicable land use plans and regulations. Therefore, while implementation of the Project would commit the Project Site to hotel and associated visitor-serving uses for its operational life and would result in a significant and unavoidable VMT impact, it would not result in a significant irreversible commitment of nearby off-site properties to similar uses.

Would the Project involve uses in which irreversible damage could result from any potential environmental accidents?

EIR Section 4.8, Hazards and Hazardous Materials, provides an analysis of the Project's potential to transport or handle hazardous materials which, if released into the environment, could result in potential environmental accidents. However, as concluded in the analysis, the Project would be required to comply with all federal, state, and local regulations related to hazardous materials during construction and operation to ensure that appropriate safety protocols and disposal of hazardous materials. As such, construction and long-term operation of the Project would not have the potential to cause significant irreversible damage to the environment, including damage that may result from upset or accident conditions.

Is the proposed consumption of resources not justified (e.g., the project results in the wasteful use of energy)?

As discussed in Section 4.5, Energy, construction and operation of the Project would consume electricity, natural gas, and transportation fuels. The Project would also increase transportation-related fuel consumption associated with vehicle trips generated by hotel employees, guests, restaurant patrons, event attendees, deliveries, and other Project activities. As discussed in Section 4.10, Transportation, the Project would result in a significant and unavoidable VMT impact after implementation of MM TR-1. This VMT impact indicates that the Project would increase Citywide Total VMT above the applicable significance threshold; however, the VMT significance determination does not, by itself, establish that the associated consumption of transportation fuel would be wasteful, inefficient, or unnecessary.

As discussed in Section 4.5, Project-related energy consumption would occur in connection with construction and operation of the proposed 70-room boutique hotel and associated visitor-serving uses and would not be considered wasteful, inefficient, or unnecessary. The Project would be required to comply with applicable energy-efficiency requirements, including CALGreen and other applicable building energy standards. In addition, MM TR-1 would require implementation of a Transportation Demand Management Plan intended to reduce single-occupancy vehicle trips and encourage alternative modes of transportation, thereby reducing VMT and associated transportation fuel consumption to the extent achieved. Accordingly, although the Project would result in a significant and unavoidable VMT impact and would irreversibly consume certain energy resources, it would not result in wasteful, inefficient, or unnecessary consumption of energy.

6.4 Growth-Inducing Impacts

Pursuant to Sections 15126(d) and 15126.2(d) of the CEQA Guidelines, this section is provided to examine ways in which the Project could directly or indirectly foster economic or population growth or the construction of additional housing in the surrounding environment. Also required is an assessment of other projects that would foster other activities which could affect the

environment, individually or cumulatively. To address this issue, potential growth-inducing effects will be examined through analysis of the following questions:

- Would this project remove obstacles to growth, e.g., through the construction or extension of major infrastructure facilities that do not presently exist in the project area, or through changes in existing regulations pertaining to land development?
- Would this project result in the need to expand one or more public services to maintain desired levels of service?
- Would this project encourage or facilitate economic effects that could result in other activities that could significantly affect the environment?
- Would approval of this project involve some precedent-setting action that could encourage and facilitate other activities that could significantly affect the environment?

Please note that growth-inducing effects are not to be construed as necessarily beneficial, detrimental, or of little significance to the environment. This issue is presented to provide additional information on ways in which the Project could contribute to significant changes in the environment, beyond the direct consequences of developing the land use concept examined in the preceding sections of this EIR.

Would this project remove obstacles to growth, e.g., through the construction or extension of major infrastructure facilities that do not presently exist in the project area, or through changes in existing regulations pertaining to land development?

The Project would not remove obstacles to growth through the construction or extension of major infrastructure facilities or through changes in existing land use regulations. The Project consists of the rehabilitation and adaptive reuse of the historic Manuel Garcia Adobe and Domingo Yorba Adobe and development of a 70-room boutique hotel and associated amenities on a 1.68-acre infill site in the City's Downtown/Town Center area. The Project would be served by existing roadway, water, wastewater, storm drain, electric, natural gas, and telecommunications infrastructure currently available in the surrounding developed urban area.

Implementation of the Project would not require the extension of major utility or transportation infrastructure into previously undeveloped areas, nor would it increase the capacity of public facilities in a manner that would facilitate additional growth beyond that already anticipated under the City's General Plan and applicable planning documents. Utility improvements associated with the Project would be limited to localized connections and upgrades necessary to serve the Project Site and would not create excess capacity intended to accommodate future development.

The Project would also not require amendments to the General Plan, changes to the City's growth management policies, or modifications to land use regulations that would facilitate additional development on surrounding properties. Rather, the Project would implement the City's existing

planning framework for the Town Center area by redeveloping an underutilized site with a visitor-serving use consistent with the site's existing land use designation and zoning.

Accordingly, the Project would not remove obstacles to growth through the construction or extension of major infrastructure facilities or through changes in existing regulations pertaining to land development.

Would this project result in the need to expand one or more public services to maintain desired levels of service?

The Project would generate incremental demand for public services, including police protection, fire protection and emergency medical response, parks and recreation facilities, schools, and other governmental services. Construction of the Project would create temporary demand associated with construction workers, while operation of the 70-room hotel, restaurant, and associated amenities would generate ongoing demand from employees, guests, and visitors.

However, the Project would not result in the need to expand or construct new public service facilities to maintain desired service levels. The Project is located in the City's developed Town Center area and would be served by existing public service providers, including the Orange County Sheriff's Department, Orange County Fire Authority, and other service agencies that currently serve the Project Site and surrounding developed area. In addition, because the Project is a visitor-serving commercial use rather than a residential development, it would not generate a substantial increase in permanent population, school enrollment, or demand for community facilities typically associated with residential growth.

As evaluated in the Initial Study, impacts related to public services were determined to be less than significant, and no mitigation measures were required. The Initial Study concluded that the Project would not result in substantial adverse physical impacts associated with the provision of police protection, fire protection, schools, parks, or other public facilities. Accordingly, the Project would not require the construction of new or expanded public service facilities to maintain acceptable service levels.

The Project would also contribute development impact fees, property taxes, transient occupancy tax revenues, sales tax revenues, and other revenues that support the provision of public services. Therefore, while the Project would generate incremental demand for public services, it would not result in the need to expand one or more public services to maintain desired service levels. The Project would not, therefore, have significant growth-inducing consequences with respect to public services.

Would this project encourage or facilitate economic effects that could result in other activities that could significantly affect the environment?

During construction, the Project would create temporary employment opportunities for architects, engineers, construction workers, specialty trades, and other support personnel, which would constitute a direct growth-inducing effect of the Project. Upon completion, operation of the 70-room boutique hotel, restaurant, and associated amenities would generate permanent employment opportunities in hospitality, food service, management, maintenance, and related occupations. However, these jobs would be expected to be filled primarily by the existing regional labor force and would not be of a magnitude sufficient to induce substantial population growth in the City or surrounding region.

The Project may also result in indirect economic benefits associated with increased visitor spending and tourism activity in San Juan Capistrano's Downtown/Town Center area. Hotel guests would support existing restaurants, retail establishments, cultural destinations, and other local businesses, thereby contributing to the City's economic vitality. However, these economic benefits would occur in an already developed urban area designated and planned for visitor-serving, commercial, and mixed-use development under the City's General Plan and zoning regulations.

As discussed in Section 4.10, Transportation, the Project would result in a significant and unavoidable impact related to VMT under Threshold TRA-b after implementation of MM TR-1. This impact reflects the Project’s modeled increase in Citywide Total VMT and the inability to assure that the TDM strategies required by MM TR-1 would achieve the reduction necessary to reduce the impact below the City’s adopted significance threshold. However, the significant and unavoidable VMT impact does not indicate that the Project would induce substantial population growth, require substantial new housing, extend major infrastructure into undeveloped areas, or otherwise remove obstacles to growth. Rather, the Project would redevelop an existing infill site within an established urban area using existing infrastructure and public services.

Accordingly, while the Project would generate temporary construction employment, permanent hospitality-related employment, increased visitor spending, and other economic activity, these effects would not be expected to induce substantial population growth or facilitate secondary development of a scale or character that would result in significant growth-related environmental effects. Therefore, the Project would not encourage or facilitate economic effects that would result in significant growth-inducing environmental impacts.

Would approval of this project involve some precedent-setting action that could encourage and facilitate other activities that could significantly affect the environment?

Approval of the Project would not involve a precedent-setting action that could encourage or facilitate other activities with the potential to significantly affect the environment. The Project consists of the rehabilitation and adaptive reuse of the historic Manuel Garcia Adobe and Domingo Yorba Adobe and development of a 70-room boutique hotel and associated amenities on a developed infill site in the City's Downtown/Town Center area. The Project has been designed to be consistent with the City's General Plan, applicable zoning regulations, and adopted development standards, and does not require changes to the City's building, grading, plumbing, mechanical, electrical, fire, or other health and safety regulations.

The Project also would not establish a new regulatory framework or modify existing land use policies in a manner that would facilitate development beyond that already anticipated by the City's planning documents. Rather, the Project implements the City's existing vision for the Downtown/Town Center area through redevelopment of an underutilized site with a visitor-serving use that is compatible with surrounding land uses and the historic character of the area.

While approval of the Project may encourage additional investment, adaptive reuse, redevelopment, and visitor-serving development in the Downtown area, any future development proposals would be evaluated on their own merits and would remain subject to all applicable General Plan policies, zoning requirements, development standards, permit approvals, and environmental review requirements. Future projects with the potential to result in significant environmental impacts would be subject to project-specific environmental review in accordance with CEQA.

Accordingly, approval of the Project would not constitute a precedent-setting action that would encourage or facilitate other activities capable of significantly affecting the environment.

6.4.1 Elimination of Obstacles to Growth

Elimination of obstacles to growth refers to the extent to which a project removes infrastructure limitations or provides infrastructure capacity, or removes regulatory constraints that could result in growth unforeseen at the time of Project approval.

The elimination of either physical or regulatory obstacles to growth is considered a growth-inducing effect although not necessarily a significant one. A physical obstacle to growth typically involves the lack of public service infrastructure. The extension of public service infrastructure, including roadways, water mains, and sewer lines, into areas that are not currently provided with these services would be expected to support new development. Similarly, the elimination or change to a regulatory obstacle, including existing growth and development policies, could result in new growth.

The Project would redevelop a previously developed 1.68-acre site in the City's Downtown/Town Center area with a 70-room boutique hotel, restaurant, and associated amenities, including the rehabilitation and adaptive reuse of the historic Manuel Garcia Adobe and Domingo Yorba Adobe. The Project Site is currently served by existing roadway, water, wastewater, storm drain, electric power, natural gas, and telecommunications infrastructure. Utility improvements associated with the Project would be limited to localized connections, relocations, and upgrades necessary to serve the Project Site and would primarily connect to existing infrastructure systems.

Implementation of the Project would not require the extension of major infrastructure facilities into previously undeveloped areas, construction of new highways or major roadways, or expansion of utility systems intended to accommodate future growth beyond that already anticipated under the City's General Plan and regional planning documents. As discussed throughout this EIR and the Initial Study, impacts related to public services and utilities were determined to be less than significant, and the Project would be adequately served by existing facilities and service providers.

The Project would also not remove regulatory obstacles to growth. The Project is consistent with the City's existing planning framework for the Downtown/Town Center area and does not establish a new land use designation, create a new zoning district, or alter Citywide growth management policies. Any future development proposals in the City would remain subject to applicable General Plan policies, zoning requirements, infrastructure capacity limitations, discretionary approvals, and environmental review requirements.

Accordingly, the Project would not remove physical or regulatory obstacles to growth in a manner that would facilitate growth beyond that already anticipated by the City's adopted planning documents.

6.4.2 Economic Expansion or Growth

Economic effects refer to the extent to which a project could cause increased activity in the local or regional economy. Economic effects can include such effects as the “multiplier effect.” A “multiplier” is an economic term used to describe interrelationships among various sectors of the economy. The multiplier effect provides a quantitative description of the direct employment effect of a project and the indirect and induced employment growth. The multiplier effect acknowledges that the on-site employment and population growth of each project is not the complete picture of growth caused by the Project.

Implementation of the Project would generate temporary employment opportunities during construction, including jobs for architects, engineers, construction workers, specialty trades, and other support personnel. Upon completion, operation of the 70-room boutique hotel, restaurant, and associated amenities would create permanent employment opportunities in hospitality, food service, management, maintenance, and related occupations. However, the Project would not be

considered growth inducing because these employment opportunities would be expected to draw from the existing regional labor force in the City, Orange County, and the broader Southern California region.

The Project may also generate indirect economic benefits through increased tourism activity and visitor spending in San Juan Capistrano's Downtown/Town Center area. Hotel guests would patronize local restaurants, retail establishments, cultural destinations, and other businesses, thereby contributing to the local economy. While these economic benefits represent a positive economic effect of the Project, they would occur in an existing urbanized area that is already planned and designated for visitor-serving, commercial, and mixed-use development.

Furthermore, the Project would redevelop an infill site using existing infrastructure and public services and would not require expansion of major public facilities or infrastructure into undeveloped areas. Although, as discussed in Section 4.10, Transportation, the Project would result in a significant and unavoidable VMT impact after implementation of MM TR-1, that impact would not result from substantial population growth, construction of growth-accommodating infrastructure, or removal of an existing obstacle to development. Accordingly, the significant VMT impact does not demonstrate that the Project would induce substantial economic or population growth beyond that otherwise anticipated.

Therefore, while the Project would result in temporary construction employment, permanent hospitality-related employment, increased visitor spending, and associated indirect and induced economic activity, the resulting economic expansion would not be expected to induce substantial growth beyond that already anticipated in the City and region.

One drafting point I would emphasize: I removed the sentence stating that “impacts related to public services, utilities, and transportation were determined to be less than significant.” That is now inconsistent with your significant-and-unavoidable TRA-b conclusion. Where transportation is relevant, I replaced it with a precise acknowledgment of the VMT impact and explained why that impact does not, by itself, establish a growth-inducing effect.